

2005 DRAFTING REQUEST

Bill

Received: **11/05/2004**

Received By: **rchampag**

Wanted: **As time permits**

Identical to LRB:

For: **Marlin Schneider (608) 266-0215**

By/Representing: **Himself**

This file may be shown to any legislator: **NO**

Drafter: **rchampag**

May Contact:

Addl. Drafters:

Subject: **Employ Pub - employee benefits**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Schneider@legis.state.wi.us**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Provision of prepaid legal services insurance to state employees

Instructions:

See Topic.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	rchampag 11/12/2004	lkunkel 12/02/2004 lkunkel 12/03/2004		_____			State
/1			rschluet 12/06/2004	_____	sbasford 12/06/2004	lnorthro 12/06/2004	

LRB-0664

12/06/2004 11:21:01 AM

Page 2

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

FE Sent For:

<END>

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Intro.

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1 12/3 jld

Handwritten signature and date 11/6/04

FE Sent For:

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State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-2405/1

RAC:cjs:jf

2003

BILL

2005

12/10

LRB-0664/1

RAC:mlk

jd

LPS: Pls Fix
requesters
sheet

LPS: Pls PWF

Regen. c&S

1 AN ACT *to amend* 40.03 (2) (ig) and subchapter IV (title) of chapter 40 [precedes
2 40.51]; and *to create* 40.02 (47m), 40.03 (6) (k), 40.05 (4r) and 40.56 of the
3 statutes; **relating to:** requiring the group insurance board to offer prepaid
4 legal services insurance benefits to state employees and granting rule-making
5 authority.

Analysis by the Legislative Reference Bureau

This bill requires the Group Insurance Board (GIB) to offer prepaid legal services insurance to participating employees in the Wisconsin Retirement System who are state employees. Usually, prepaid legal services insurance provides for full or partial payment of the costs of certain legal services, such as preventive legal services, motor vehicle legal defense services, trial defense services, and audit services. The services that are typically covered under a policy vary by plan design and contract.

Under the bill, for any prepaid legal services insurance policy offered through GIB, the insurer may impose underwriting considerations in determining the initial eligibility of persons to cover and what premiums to charge. In addition, the bill authorizes GIB to charge a fee to each insurer whose policy is offered, but the fee may not exceed the direct costs incurred by GIB in offering the policy. The bill requires the secretary of employee trust funds, with the approval of GIB, to promulgate rules for the administration of the prepaid legal services insurance program. Finally, the bill provides that the premiums for the prepaid legal services insurance are to be deducted directly from an employee's earnings and paid to the insurer.

BILL

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 40.02 (47m) of the statutes is created to read:

40.02 (47m) "Prepaid legal services insurance" means insurance that provides coverage for full or partial payment of certain legal services costs.

SECTION 2. 40.03 (2) (ig) of the statutes is amended to read:

40.03 (2) (ig) Shall promulgate, with the approval of the group insurance board, all rules required for the administration of the group health, long-term care, prepaid legal services, income continuation, or life insurance plans established under subchs. IV to VI.

SECTION 3. 40.03 (6) (k) of the statutes is created to read:

40.03 (6) (k) Shall, on behalf of the state, offer as provided in s. 40.56 prepaid legal services insurance policies, subject to the following conditions:

1. For purposes of this paragraph only, pars. (a) 2., (b), (e), (f), and (g) do not apply.

2. For purposes of this section, the offering by the state of prepaid legal services insurance policies shall constitute a group insurance plan under par. (a) 1.

SECTION 4. 40.05 (4r) of the statutes is created to read:

40.05 (4r) PREPAID LEGAL SERVICES INSURANCE PREMIUMS. For any prepaid legal services insurance policies provided under s. 40.56, the entire premium shall be paid as a deduction under s. 40.06 (1) (a) from the state employee's earnings, except that if the employee receives earnings that are insufficient to cover premium payments the employee shall make premium payments directly to the insurer.

BILL

1 **SECTION 5.** Subchapter IV (title) of chapter 40 [precedes 40.51] of the statutes
2 is amended to read:

CHAPTER 40**SUBCHAPTER IV****HEALTH AND LONG-TERM****CARE, AND PREPAID LEGAL****SERVICES BENEFITS**

8 **SECTION 6.** 40.56 of the statutes is created to read:

9 **40.56 Prepaid legal services insurance benefits.** The state shall offer,
10 through the group insurance board, to participating employees who are state
11 employees prepaid legal services insurance benefits. For any prepaid legal services
12 insurance policy offered through the group insurance board, the insurer may impose
13 underwriting considerations in determining the initial eligibility of persons to cover
14 and what premiums to charge. The group insurance board may charge a fee to each
15 insurer whose policy is offered under this section, but the fee may not exceed the
16 direct costs incurred by the group insurance board in offering the policy.

17 **(END)**

Northrop, Lori

From: Schneider, Marlin
Sent: Monday, December 06, 2004 11:14 AM
To: LRB.Legal
Subject: Draft review: LRB 05-0664/1 Topic: Provision of prepaid legal services insurance to state employees

It has been requested by <Schneider, Marlin> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB 05-0664/1 Topic: Provision of prepaid legal services insurance to state employees